

## **Chairman Mica's Statement**

This subcommittee first addressed the topic of today's hearing – air traffic control modernization - nearly a quarter-century ago during the first term of the Reagan Administration. Since then, the Federal Government has spent nearly \$44 billion in taxpayer dollars on a seemingly Quixotic quest to upgrade the nation's air traffic control system, which still relies upon costly, ground-based, 30-year-old technology that is best-suited for the Smithsonian Air & Space Museum.

Until recently, the ATC modernization effort has been plagued by cost overruns, scheduling delays, and mismanagement – making this one of the worst acquisition programs in U.S. government history. I would like to commend FAA Administrator Marion Blakey and Air Traffic Organization Chief Operating Officer Russ Chew for their leadership and efforts to get the vast majority of our ATC modernization programs on-time and within budget.

However, if we can't sustain this progress and make significant strides in modernizing our ATC system over the next decade, then I fear a meltdown of our nation's air traffic control system is inevitable. Such a meltdown would cripple our nation's economy, which stands to lose \$30 billion annually due to people and products not reaching their destinations within the time periods we expect today.

The need for ATC modernization is overwhelming. FAA's recent forecast conference could not have made it any clearer – air transportation demand is coming that will be greater than today's system can handle. According to FAA, domestic air passenger traffic will nearly double to one billion passengers annually by 2015 and triple to 1.5 billion passengers by 2025. While I am dismayed that our existing ATC system may be incapable of meeting air traffic demand in the near term, it is a testament to the 50,000 employees of the FAA that our ATC system has and continues to be the largest and safest in the world, averaging only one fatal accident per five million flights.

In light of these significant future demands on the National Airspace System, Congress in 2003 directed FAA to develop a comprehensive plan for a Next Generation Air Traffic Control System (NGATS). NGATS, in essence, moves air traffic control from Earth to sky by replacing antiquated, costly ground infrastructure with orbiting satellites, on-board automation and data-link communications.

Under the leadership of Mr. Chew, who is one of the finest public servants I have seen, the ATO is starting to resemble the performance-based, value-driven organization that Congress envisioned. Both the GAO and DOT Inspector General found that ATO has made significant progress in meeting cost, schedule and performance targets for its major ATC acquisition programs.

While I am pleased with the bold cost-cutting and productivity initiatives the ATO has implemented on the operations side, I am hopeful that the transition to a satellite-based ATC system will open up other opportunities for even more significant, albeit politically unpopular, cost savings initiatives, including the consolidation of major

air traffic control facilities, the consolidation of regional offices, and the decommissioning of ground-based navigational aids without any degradation to safety. In light of political opposition to such initiatives, as evidenced by the reaction following FAA's proposal to consolidate certain radar stations, or TRACONS, I believe we need to look at establishing a Base Realignment and Closure Commission (BRAC)-type process in the next FAA reauthorization bill.

While I am pleased that the FAA's Joint Planning and Development Office (JPDO) has lead an inter-agency effort towards planning and developing a timeline for NGATS, I have two primary concerns:

First, the JPDO's goal of completing NGATS by 2025 is too late given the dramatic growth in air travel expected over the next decade. Despite the expenditure of 44 billion in taxpayer dollars on ATC modernization initiatives, the GPS-based navigation system in the car I rented recently is more sophisticated than the 60-year-old radar technology being used to navigate aircraft today. In light of the FAA's dismal track record on ATC modernization, we need to consider increasing the role of industry as a means of expediting the development and implementation of NGATS. Ironically, our European friends have adopted a more industry-driven approach to their air traffic management modernization initiative, called SESAR, which warrants a closer look.

My second concern is twofold - how much will NGATS cost and how are we going to pay for it. ATO estimates that NGATS will cost between \$15 billion and \$18 billion on top of the \$44 billion invested to date.

FAA also predicts a funding gap between the FAA's capital account and NGATS requirements of between \$500 million to \$1.2 billion over the next five years. It is important to note that most of the FAA's existing \$2.5 billion capital account - which is a half-billion-dollars short of the amount authorized by Congress - goes for keeping the existing ATC system running, not NGATS-related programs.

In light of the \$44 billion spent to date on ATC modernization, we owe assurances to the American taxpayer that NGATS will be a cost-effective system that will safely accommodate rising air traffic demands for decades to come.